



# State Energy Program American Recovery and Reinvestment Act Funding

NGA States Energy Working Group  
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# What we do



- DOE and the States: an essential partnership.
- Working together to address national and State goals.
- A network of State Energy Offices across the country.
- Programs designed by the States covering all sectors of the economy: homeowners, businesses, transportation, school children, government at the State and community level



# SEP and ARRA

- Funding Level: \$3.1 billion to be distributed to the States by formula:
  - One-third: equal share to all States;
  - One-third according to most recent population data, and
  - One-third according to most recent energy use data.
- No match requirement & 50% limit on capital expenditures is waived.
- SEP Recovery Act funding must not be used to supplant existing rate payer or other State energy program funding.



## **SEP and ARRA – Section 410**

To receive funds, Governors must notify DOE that they have obtained necessary assurances that :

- The State utility regulatory authority will undertake proceedings to align their policies to help customers use energy more efficiently;
- The State or applicable units of local government, as appropriate, will implement residential and commercial building codes that meet specified energy efficiency standards, and a plan to achieve 90% compliance within 8 years.
- The State will prioritize funding toward expanding existing energy efficiency and renewable energy programs, including rate-payer programs.

To date, all but one of the 56 States and Territories have provided notification to DOE.



# **SEP and ARRA – Key Application and Award Dates**

- Initial applications for 10% of a State's allocation were due 3/23/09
  - All but one have been received
- Funds will be awarded by 4/17/09
- Full State Plans for an additional 40% are due 5/12/09
- Full State Plans will be reviewed and approved by 7/12/09
- Grants will be amended and the additional 40% released between 7/12/09 and 9/30/09.



# **SEP and ARRA – Key Application and Award Dates**

- An additional 20% will be released to a State when at least 50% of previously awarded funds are obligated.
- Remaining funds will be released when a State demonstrates continued progress (still being defined).
- States must obligate all funds by September 30, 2010.



# SEP and ARRA – Use of Funds

- SEP Recovery Act funds can be used for all eligible SEP activities.
- DOE encourages States to choose activities that will provide sustained benefits to their citizens –activities that will transform markets and have broad and lasting impacts on energy use within their borders
  - Examples would be revolving loans, on-bill financing strategies, and performance contracting.



# SEP and ARRA – Use of Funds

- States are encouraged to consider programs in these high impact areas:
  - Establishment and enforcement of energy efficient building codes and standards, and implementation of voluntary programs that impact new design.
  - Loans, grants and incentives for energy efficiency and renewable energy measures.
  - Building retrofits.
  - Traffic signal synchronization and replacement with LEDs.
  - Industrial retrofits.





# SEP and ARRA – Performance Metrics

- President Obama has committed to accountability in the use of ARRA funds. So, it is important that the activities carried out and the results achieved with those funds are tracked carefully and reported clearly and quantifiably. The results achieved with SEP ARRA funding will be assessed according to the following performance metrics:
  - Jobs created
  - Energy (kwh/therms/gallons/BTUs/etc.) saved
  - Renewable energy installed capacity and generated
  - GHG emissions reduced (CO2 equivalents)
  - Energy cost savings
  - Funds leveraged